GRUMMAN DAILY EDITION
plane news
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No decision in Department of Labor suit

At U.S. District Court in Uniondale on Friday, Judge Jacob Mishler heard testimony and legal argument in the Department of Labor's suit against the trustees of the Grumman pension plan.

Mishler indicated that because of the complexity of the case and the press of his schedule ("...the reason I don't have time is because of Grumman and LTV!" he stated), no decision would be forthcoming.

The suit, filed on October 19, charges that the three trustees -- Jack Bierwirth, Bob Freese, and Carl Paladino -- violated provisions of the Employee Retirement Income Security Act (ERISA) that state pension plan assets may not be used to benefit the company sponsoring the plan.

It further charges that the trustees failed to act prudently and with the plan's best interests in mind when they purchased 1,160,000 shares of Grumman stock. The court was asked to order the trustees to personally reimburse the plan for any money lost as a result of their actions.

Judge Mishler accepted in evidence a large cardboard box full of petitions. The petitions were signed by more than 18,000 Grummanites who said that they agreed with and supported the actions taken by the pension plan trustees.

Attorneys for the Department of Labor argued that the trustees, with apparent loyalty to the company, acted with a conflict of interest in their fiduciary responsibilities to the plan.

Grumman attorneys contended that there was no conflict of interest, because it is in the best interests of the beneficiaries of the pension plan that the takeover be defeated. By acting primarily in the interest of the pension plan, the benefit to the company was only incidental.

Both Grumman and the Department of Labor were given until November 9 to file any supplemental briefs.

If court upholds decision, the war might be over

As of Friday, October 30, the U.S. Second Circuit Court of Appeals Court in Manhattan had yet to rule on whether to reverse an October 14 preliminary injunction issued by Judge Jacob Mishler in U.S. District Court. In that injunction, LTV was prohibited from soliciting or purchasing any Grumman shares. Mishler ruled that there was evidence of possible antitrust and securities laws violations by LTV.

Meanwhile, Newsday's Tom Incantalupo reported in the Long Island daily's October 30 edition that LTV concedes that "it probably would withdraw its tender offer if the October 14 order is upheld, rather than extend it through a potentially lengthy trial."

Newsday went on to quote LTV spokesman Julian Sheer as saying: "Unless something changes dramatically, an unfavorable decision by the Second Circuit would be tantamount to ending the effort."

October 30, 1981 — Grumman shares closed at 28½ today, up ½; approximately 20,500 Grumman shares were traded.

Bethpage takes up the Grumman spirit

"The Rotary arranged for it to be cold today specifically to give a chilly reception to LTV," said Congressman Greg Carman.

No one from LTV was there, but the people who attended ceremonies for Bethpage Appreciates Grumman Day gave a show of warm support for the company that has made its home in Bethpage since 1932.

The Bethpage High School marching band provided music for the event, held at the Bethpage railroad station on Friday, Oct. 30. Oyster Bay Town Councilman Salvatore Mosca presented Grumman with a proclamation of support; and Anthony Sabino, who organized the event, presented one on behalf of Nassau County.

Frank Messina, vice president - Manufacturing, accepted them for Grumman, saying, "We are going to win this fight. We are going to be here for a heck of a long time."

Congressman Carman was given a stack of 2,000 signatures collected by local merchants backing Grumman in its fight against LTV.

"It's not unusual for a community to take a stand," said Carman. "But I think there is something more important here that all of you understand.

"From the standpoint of our national defense, we cannot afford to dissipate the talent and the team that has made Grumman one of the outstanding companies of the world."

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Published to keep you informed about the unsolicited takeover attempt.

Questions or comments? Contact us.

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